

# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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## ***Taxpayer's Guide to Obtaining A Geothermal Property Tax Deduction***

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The State of Indiana offers a property tax deduction for owners and contract buyers of real property or personal property mobile/manufactured homes equipped with a geothermal heating or cooling device. The Indiana Department of Environment Management ("IDEM") shall certify whether a geothermal device qualifies for a deduction upon application by the property owner. This guide outlines the steps necessary to file for and obtain the property tax deduction.

This guide is offered as a supplement to the Department of Local Government Finance ("DLGF") memorandum issued June 15, 2010 and available at <http://www.in.gov/dlgf/files/100615- Stanley Memo - Geothermal Deduction.pdf>.

Questions regarding deduction amount and eligibility should be directed to your county auditor. Contact information for all county auditors is available at <http://www.in.gov/dlgf/2440.htm>.

Questions regarding device certification may be directed to IDEM Administrative Assistant Donna Palmer at 317.233.0478 or 1-800-451-6027 ext. 30478.

Questions also may be directed to DLGF Assistant Director of Communications Amanda Stanley at 317-233-9218 or [astanley@dlgf.in.gov](mailto:astanley@dlgf.in.gov).

### **For property owners installing a new device or wishing to certify a device already installed:**

#### ***Phase I – Obtain IDEM Certification***

1. Obtain State Form 18865 from your county auditor's office or from the DLGF website at <https://forms.in.gov/Download.aspx?id=4797>.

Contact information for county auditors is available at <http://www.in.gov/dlgf/2440.htm>.

2. Complete the form sections entitled "Certification Statement" and "Property Description." Sign and date the form to certify that the information provided is true, correct and complete. Please note that the address provided should be that of the property where the geothermal device is located.

3. Send a copy of your **completed form** along with a **separate listing** of your device's make, model number, serial number, system tonnage and designation as either an open or closed loop system to:

Indiana Department of Environmental Management  
Officer of Water Quality  
Attention: Donna Palmer  
100 North Senate Avenue, Room 1255  
Indianapolis, IN 46204

Please also provide a **daytime telephone number** where you may be reached.

Please **do not** send any personal information such as Social Security numbers, cancelled checks or credit card receipts or statements.

4. IDEM will review your form and information. If it is determined that your device qualifies as a geothermal unit, IDEM will certify your claim and send a certification letter to you and your county auditor. If IDEM fails to make a determination regarding certification of the geothermal device before December 31 of the year in which the form is completed, the device is considered certified. Please note that a unit only needs to be certified once. A list of all certified geothermal units is available through IDEM's virtual file cabinet at <http://www.in.gov/idem/hoosierscare/5600.htm>.

## ***Phase II – Claim the deduction***

5. File a copy of your completed form with the county auditor. In addition to the completed form, you must also provide proof of IDEM certification. If you have submitted the necessary information to IDEM but have not yet received a certification letter, please submit a copy of your certification paperwork to the county auditor with your completed application form.

The application and accompanying certification may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

For purposes of obtaining the deduction on real property, the application must be completed and dated in the calendar year for which the person wishes to obtain the deduction and filed with accompanying certification with the county auditor on or before January 5 of the immediately succeeding calendar year. (Therefore, to satisfy the application deadline for property taxes first due and payable in 2012, the application must be completed and dated and necessary information submitted to IDEM on or before December 31, 2011 and then filed with the county auditor on or before January 5, 2012.)

For purposes of obtaining the deduction on a personal property mobile/manufactured home, the application must be completed, dated and filed with accompanying certification with the county auditor during the twelve (12) months before March 31 of

the year for which the person wishes to obtain the deduction. (Therefore, if the application is filed on or before March 31, 2012, the deduction application deadline would be satisfied for property taxes first due and payable in 2012.)

6. Assuming all requirements have been met, the county auditor will apply the property tax deduction to the appropriate year's property tax liability.

## **For new property owners purchasing a home with a geothermal device already installed:**

1. The Sales Disclosure Form (State Form 46021; <https://forms.in.gov/Download.aspx?id=7477>) will be completed at the time of your closing. You may file for the geothermal property tax deduction at the time by completing Section F of the form. If you do not complete this portion of the Sales Disclosure Form at the time of closing, please follow the steps outlined above.
2. The Sales Disclosure Form will be filed with the county assessor's office, which will forward the deduction application portion of the form to the county auditor's office.

Contact information for county assessors and auditors is available at <http://www.in.gov/dlgf/2440.htm>.

3. If the geothermal device **was** certified by the previous owner of the property, you are not required to re-obtain IDEM certification. A list of all certified geothermal units is available through IDEM's virtual file cabinet at <http://www.in.gov/idem/hoosierscare/5600.htm>.

If the geothermal device **was not** certified by the previous owner of the property, send a copy of your **completed Sales Disclosure Form** along with a **separate listing** of your device's make, model number, serial number, system tonnage and designation as either an open or closed loop system to:

Indiana Department of Environmental Management  
Officer of Water Quality  
Attention: Donna Palmer  
100 North Senate Avenue, Room 1255  
Indianapolis, IN 46204

Please also provide a **daytime telephone number** where you may be reached.

Please **do not** send any personal information such as Social Security numbers, cancelled checks or credit card receipts or statements.

4. IDEM will review your form and information. If it is determined that your device qualifies as a geothermal unit, IDEM will certify your claim and send a certification letter to you and your county auditor. If IDEM fails to make a determination regarding

certification of the geothermal device before December 31, of the year in which the form is completed, the device is considered certified.

5. For purposes of obtaining the deduction on real property, the Sales Disclosure Form application must be completed and dated in the calendar year for which the person wishes to obtain the deduction and filed with accompanying certification with the county auditor on or before January 5 of the immediately succeeding calendar year. (Therefore, to satisfy the application deadline for property taxes first due and payable in 2012, the Sales Disclosure Form must be completed and dated and necessary information submitted to IDEM (if device not certified by previous owner) on or before December 31, 2011 and then filed with the county auditor on or before January 5, 2012.)

For purposes of obtaining the deduction on a personal property mobile/manufactured home, the Sales Disclosure Form must be completed, dated and filed with accompanying certification with the county auditor during the twelve (12) months before March 31 of the year for which the person wishes to obtain the deduction. (Therefore, if the application is filed on or before March 31, 2012, the deduction application deadline would be satisfied for property taxes first due and payable in 2012.)

6. Assuming all requirements have been met, the county auditor will apply the property tax deduction to the appropriate year's property tax liability.